

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 26<sup>th</sup> July 2021**

**Report for: Decision**

**Report of: The Executive Member for Finance and Governance and the  
Director of Finance and Systems**

**Report Title:**

Budget Monitoring 2021/22 – Period 2 (April to May 2021).

### **Summary:**

The purpose of this report is to inform Members of the current 2021/22 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

### **Recommendation(s)**

**It is recommended that the Executive:**

- a) Recommend to Council to approve an increase to the net Revenue Budget of £168k to £179.472m as detailed in paragraph 2 below;
- b) note the updated positions on the revenue budget, collection fund and capital programme.

### **Contact person for access to background papers and further information:**

David Muggeridge, Head of Financial Management    Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	Revenue and capital expenditure is contained within available resources in 2020/21. In respect of the resourcing of the capital programme a number of capital receipts from the disposal of surplus land have been reprofiled to later years. This has given rise to some additional temporary borrowing the cost of which has been

	contained within the treasury management budget.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Carbon Reduction	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

## REVENUE BUDGET

### EXECUTIVE SUMMARY

1. The approved budget for 2021/22 agreed at the 17 February 2021 Council meeting was £179.304m. In determining the budget an overall gap of £25.44m was addressed by a combination of additional resources of £5.20m from Council Tax, use of reserves, £8.34m to address COVID-19 pressures and £2.80m for business as usual pressures, and £9.10m of service savings and additional income.
2. The Revenue Budget has now been increased by £168k to £179.472m as a result of a minor late change in the financial settlement relating to resources to support the Public Health budget. This change to the net budget will need to be formally approved and will be considered at full Council in July 2021.

### 3. Summary of outturn

There is a net estimated outturn pressure of £2.20m at Period 2.

This first monitor of the new financial year provides a forecast outturn based on patterns of expenditure and income from the first two months of the year. Some broad assumptions have been made on future demand and the ongoing impacts of the pandemic, the estimate is subject to variation due to this volatility and should only be used as a broad position statement at this stage.

As in previous financial years, a more cautious approach has been used in the early period monitoring and although similar patterns of pressures (circa £1m to £2m) were forecast at Period 2 in the pre-pandemic years of 2018/19 and 2019/20, small favourable outturns (£300k and £1.78m) occurred by year end.

The following issues are worthy of being highlighted :-

- Children's placements £833k overspend due to an increase in complexity of cases;
- Adults placements are breakeven, however assumptions on demand remain uncertain, a cautious contingency balance of £1.8m has been included for future demand.
- Staffing budgets (Children's, Adults and Public Health) net underspend of £1.514m largely due to delays in recruiting and service redesign;
- Strategic Investment Programme – These investments are budgeted to generate a net revenue benefit in 2021/22 of £7.61m although revised forecasts show a potential reduction in receipts generated of £953k. This is largely COVID-19 related due to delays in developer loans being drawn down, lower income from debt facilities due to lower interest rates, delays in schemes in the pipeline and lower trading income due to COVID-19 at retail investment sites;
- COVID-19 related pressures in Place and central services directorates of £1.239m, largely related to income pressures in traded services and lower sales, fees and charges as a result of the impact lasting longer than the first quarter assumed when setting the budget. Examples of pressures

include parking fees and fines £486k, property rentals £318k, outdoor media advertising £400k, planning fees £593k.

- Local Government Payaward – The provisional pay award for local government at 1.5% for all staff being in excess of budget by £700k. This would require the use of the council wide contingency, leaving a balance of £300k for other unknown pressures during the year.
- Other pressures £692k

#### 4. Council Tax

The Council Tax budget was reduced temporality in 2021/2022 to reflect the ongoing impact of the pandemic. Whilst estimates are difficult to predict at this stage in the year, it was reassuring that the 2020/2021 outturn was better than forecast at the time the 2021/2022 budget was set. Collection rates appear to be inline with pre-pandemic years and overall the estimated collection is currently assumed to be in line with budget. Again, the evolving situation with the pandemic and wider economy could cause significant fluctuations in the forecast.

#### 5. Business Rates

Projecting business rates is by its nature complex and prone to variation, in addition the impact on COVID-19 has added further uncertainty to the accuracy of projections. Government support has been extended for retail, hospitality and leisure businesses along with a discretionary scheme for other businesses. A broad assumption has been made for the Period 2 monitor that the outturn will be in line with budget.

#### 6. Capital Programme

This first monitor has been used to restate the capital budget from that originally approved in February 2021. The programme for 2021/2022 has reduced by £4.98m to £165.86m. This decrease is largely due to a reduction of £15.9m in the Mayors Cycling and Walking Challenge Fund following a rephasing/prioritisation exercise by GMCA, offset by an increase of £10.9m, largely caused by re-profiling expenditure from 2020/21. An update on outturn will be presented at Period 4.

7. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Table 2 providing an explanation of the variances:

<b>Table 1: Budget Monitoring results by Service</b>	<b>2021/22 Budget (£000's)</b>	<b>Forecast Outturn (£000's)</b>	<b>Forecast Variance (£000's)</b>	<b>Percentage</b>
Children's Services	43,002	42,905	(97)	(0.23)%
Adult Services	52,491	53,009	518	0.99%
Public Health	12,719	12,054	(665)	(5.23)%

Place	30,599	32,370	1,771	5.79%
Strategy & Resources	5,629	5,844	215	3.82%
Finance & Systems	7,741	7,979	238	3.07%
Governance & Community Strategy	6,291	6,614	323	5.13%
<b>Total Directorate Budgets</b>	<b>158,472</b>	<b>160,775</b>	<b>2,303</b>	<b>1.45%</b>
Council-wide budgets	21,000	20,900	(100)	(0.48)%
<b>Net Service Expenditure variance</b>	<b>179,472 *</b>	<b>181,675</b>	<b>2,203</b>	<b>1.23%</b>
<b>Funding</b>				
Business Rates (see para. 22)	(62,459)	(62,459)	0	
Council Tax (see para. 19)	(105,869)	(105,869)	0	
Reserves Budget Support	(2,803)	(2,803)	0	
Reserves to Support COVID-19	(8,341)	(8,341)	0	
<b>Funding variance</b>	<b>(179,472) *</b>	<b>(179,472)</b>	<b>0</b>	<b>0.00%</b>
<b>Net Revenue Outturn variance</b>	<b>0</b>	<b>2,203</b>	<b>2,203</b>	<b>1.23%</b>
<b>Dedicated Schools Grant</b>	<b>150,043</b>	<b>150,854</b>	<b>811</b>	<b>0.54%</b>

#### **Budget Adjustments and Virements**

\* A change to the net revenue budget and a number of virements across Directorates are detailed in Appendix 1.

## Main variances, changes to budget assumptions and key risks

8. The main variances contributing to the projected overspend of £2.203m, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	(97)	<p><b>Projected outturn variance, £97k favourable.</b></p> <p>The impact of the coronavirus pandemic is and will continue to have a significant bearing on the service both in terms of its service delivery and finances.</p> <p>Below is the projected position on children's placements and other budget areas.</p> <ul style="list-style-type: none"> <li>• £833k over budget on Children's placements (Note 1);</li> <li>• £1.330m under budget on staffing (Note 2);</li> <li>• £400k over budget on other running costs and income across the service (Note 3).</li> </ul> <p><b><u>Note 1</u></b></p> <p>Children's placements currently projects an overspend of £833k. At the time of setting the budget for 2021/22 and based on placement's in January 2021 the service had a contingency of £1.6m for additional demand with savings of £1.5m to achieve. In reviewing this position, based on the placements as at the 1st April 2021, this contingency had reduced to £120k. Although children in care numbers are relatively static it is the changes in the types of placements between those that are stepping down and those that are entering which is the main reason for this change. The cost of placements vary from an average of £22k per year for internal fostering to an average of £235k per year for residential. This has had a significant impact on the children's placements position for 2021/22.</p> <p>The above position also projects that £1.3m of planned reductions in placement's costs are still to take place.</p> <p>Also included in the current placement costs projection is an allowance of £1.3m to cover potential increase in demand above the current position for the remainder of the year.</p> <p>To date £495k of the £1.5m savings included in the budget has been achieved through a combination of work undertaken during 2020/21 and its full year impact and planned reductions for 2021/22. The remaining savings for placements is currently anticipated to be achieved, however continuous scrutiny in this area will be applied and projections on deliverability of savings may be subject to change.</p>

		<p>The numbers of children as at the end of May 2021 compared to those at the end of March 2021 are as follows:</p> <ul style="list-style-type: none"><li>• children in care 391, a reduction of 1;</li><li>• child protection is 188, a reduction of 4;</li><li>• children in need 809, an increase of 91.</li></ul> <p>At this stage it is important to note that the service continues to operate with a high degree of uncertainty due to the potential consequences the pandemic will have around future demand.</p> <p><b><u>Note 2</u></b></p> <p>The favourable variance in staffing of £1.33m is due to delays in recruiting and are one-off in nature as the service undertakes its service redesign which will be in place during 2021/22</p> <p>The staffing savings included in the budget of £580k are expected to be achieved this year due to the delays in recruiting as mentioned above. However this will be reviewed throughout the year as to their permanency as the service redesign takes place.</p> <p><b><u>Note 3</u></b></p> <p>The adverse variance in running costs and income across the service is £400k as outlined below:</p> <ul style="list-style-type: none"><li>• £208k adverse variance on Home to school transport due to increased demand in transport for out of borough placements (£143k) and on additional staffing costs (£65k) to cover passenger assistants who are shielding;</li><li>• £74k adverse variance on Partington Nursery due to a shortfall in income;</li><li>• £133k adverse variance on income due to COVID-19 restrictions still in place;</li><li>• £72k favourable variance due to the receipt of additional grant income for the school improvement service which it was not anticipated would continue;</li><li>• £57k adverse variance on minor variances across the service.</li></ul> <p><b><u>Note 4</u></b></p> <p>In addition to this there are further estimated costs of £204k due to COVID-19 for the family support grant and this will be met by a government grant.</p>
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Adult Services	518	<p><b>Projected Outturn variance, £518k adverse.</b></p> <p>The impact of the coronavirus pandemic is and will continue to have a significant bearing on the service both in terms of its service delivery and finances.</p> <p>Below is the projected position on adult clients and other budget areas:</p> <ul style="list-style-type: none"> <li>• Break even on Adult clients (Note 1)</li> <li>• £518k adverse position on staffing and running costs (Note 2)</li> </ul> <p><b>Note 1</b></p> <p>Adult Clients currently projects a breakeven position. However it is important to note that the service continues to operate with a high degree of uncertainty due to the risks posed by potential further waves of coronavirus infections and also the consequences the pandemic will have around future potential demands on Mental Health provision. In addition to this will be the increase in demand on services in supporting the NHS in dealing with the backlog of patients waiting for treatments.</p> <p>Data on client activity will be reported in future monitoring reports.</p> <p><b>Discharge to Assess</b> - estimates have been made to account for potential income from Trafford Clinical Commissioning Group (CCG) for discharge to assess services that are covered by the hospital discharge programme (HDP). This is for a maximum of 6 weeks from the date of discharge until 30 June 2021 and then for 4 weeks until the 30 September 2021. Current assumptions in the projection are that the HDP will cease on 30 September 2021. However requirements for these services will continue to the 31 March 2022 and estimated costs of £2m for this have been included in the projection.</p> <p>Not all of the discharge to assess costs will be met by the HDP due to those that go over 6 weeks and for those beds that are paid for on block but potentially not occupied. The Council and CCG have agreed a 50/50 risk share agreement to 30 September 2021 on these and £370k has been included as the estimated income.</p> <p>It should be noted that both these estimates again have the potential to vary should there be changes to the HDP scheme.</p> <p><b>Contingency</b> - within the projection there is a contingency of £1.8m set aside for additional increases in demand/cost pressures throughout the rest of the financial year.</p> <p><b>Savings</b> – to date £487k has been achieved through a combination of work undertaken during 2020/21 and its full year impact and new initiatives for 21/22. The remaining target for adult clients is currently anticipated to be achieved however continuous scrutiny in this area will</p>
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		<p>be applied and therefore projections on deliverability of savings are subject to change.</p> <p><b>Note 2</b></p> <p>The current forecasts indicate there is an adverse variance of £518k which is due to the following:</p> <ul style="list-style-type: none"> <li>• £470k adverse variance on staffing due to additional resource requirements to respond to increased pressures on the service as a result of COVID-19 and due to exceptional circumstances within the Supported Living service;</li> <li>• £238k favourable variance on client equipment, repairs and maintenance due to the impact of COVID-19 and the low number of referrals being received;</li> <li>• £304k adverse variance due to projected underachievement of savings as a result of delays to changes in legislation and staffing pressures on the service;</li> <li>• £18k favourable on minor variances.</li> </ul> <p><b>Note 3</b></p> <p>In addition to this there are further estimated costs due to COVID-19 as outlined below which are met by additional income:</p> <ul style="list-style-type: none"> <li>• £1.967m which will be met by the CCG from their allocation given by NHSE for HDP;</li> <li>• £1.361m for infection control and Rapid Testing for care providers which will be met by government grant;</li> <li>• £451k for the clinically extremely vulnerable which will be met by government grant;</li> <li>• £348k for contain outbreak management which will be met by government grant;</li> <li>• £322k for self-isolation support which will be met by government grant.</li> </ul>
Public Health	(665)	<p><b>Projected Outturn variance, £665k favourable</b></p> <p>Currently there is a projected favourable position of £665k as a result of:</p> <ul style="list-style-type: none"> <li>• £654k favourable position on 'business as usual' staffing costs as the service continues to lead and support the contain outbreak management response to the pandemic;</li> <li>• £11k favourable position on other minor variations.</li> </ul> <p>Currently activity based budgets are projected to be break even, however there is the possibility that these may experience low levels of activity due to COVID-19 throughout all or part of the financial year.</p>

		<p>Projections will be revised accordingly when data is available with the likelihood of further underspends occurring.</p> <p>In addition to this there are further estimated costs of £2.522m due to COVID-19 for contain outbreak management and this will be met by a government grant.</p>
Place	1,771	<p><b>Projected outturn variance £1.771m adverse.</b></p> <p><b>This includes gross COVID-19 pressures of £4.030m offset by £3.370m included in the approved budget/reserves – a net COVID-19 pressure of £660k which includes:</b></p> <ul style="list-style-type: none"> <li>• COVID-19 related gross income losses are £3.785m, of which £1.470m is included in the approved budget and £1.7m earmarked in reserves relating to Leisure. This gives a net COVID-19 income pressure in the forecast outturn of £615k;</li> <li>• The gross COVID-19 related income losses include parking fees and fines £486k, property rentals £318k, outdoor media advertising £400k, planning fees £593k, licencing fees £80k, building control fees £61k, highways permits and grants £24k, street trading £50k, pest control £25k and trade waste £48k. There is also £1.7m in forecast support for ongoing trading deficits of the Trafford Leisure CIC due to the ongoing effects of the various COVID-19 restrictions, which will be funded from existing earmarked reserves. Trafford Leisure continue to work closely with the Council to monitor finances and mitigate these budget pressures as far as possible within the various operational restrictions, including successful bids for grant funding;</li> <li>• COVID-19 related gross expenditure pressures are £245k, of which £200k is included in the approved budget, giving a net pressure of £45k in the forecast outturn. The overall gross pressure includes £150k in additional waste disposal costs and £50k related to waste collection, £7k highways/grounds maintenance, £38k operational buildings;</li> <li>• There are also additional costs fully offset by additional specific COVID-19 grants of £305k Community Engagement and £325k for Public Protection/Economic Growth “pandemic contain” funding.</li> </ul> <p><b>Other Forecast Variances £158k adverse including:</b></p> <ul style="list-style-type: none"> <li>• Other non-COVID-19 pressures include £167k relating to property costs including those awaiting disposal or redevelopment, and £252k of One Trafford Partnership contract savings/income generation measures re-phased to later in the year. There is a shortfall in building control income £35k, which is offset by an underspend in staffing from vacancies. CCTV income is £35k below budget and there is a</li> </ul>

		<p>projected shortfall in income from parking £54k, taxi testing £60k and trading standards £12k. Projected additional income above budget includes Altair £120k and other rents £51k. Other net minor movements across all services total £11k underspent;</p> <ul style="list-style-type: none"> <li>• There is an overall staffing underspend of £92k relating to vacancies across the year (excluding the ringfenced Planning account), which is approximately 1.3% of the staffing budget;</li> <li>• The Planning service is a ringfenced account and has a forecast underspend of £183k in staffing and running costs which part offsets the COVID-19 income pressure for Planning application fees above;</li> </ul> <p><b>Strategic Investment Programme £953k adverse:</b></p> <ul style="list-style-type: none"> <li>• The Strategic Investment Property Portfolio will deliver a net benefit to the revenue budget in 2021/22 of £6.66m. This is £953k lower than budgeted due to economic factors affecting some of the income particularly from the town centre investments (see paragraph 36 for further details).</li> </ul>
Strategy & Resources	215	<p><b>Projected outturn variance £215k adverse.</b></p> <p><b>This includes gross COVID-19 pressures of £745k offset by £481k included in the approved budget – a net COVID-19 pressure of £264k:</b></p> <ul style="list-style-type: none"> <li>• Gross trading losses in the overall forecast outturn includes £276k in Catering, £107k in Cleaning and £297k in the Music Service. There is a forecast net loss of income from staff parking of £49k and £16k expected loss of SLA income;</li> </ul> <p><b>Other Forecast Variances £49k favourable including:</b></p> <ul style="list-style-type: none"> <li>• Staff costs are £134k less than budget across the Directorate based on actual vacancies across the whole year, which is 2.0% of the total staffing budget;</li> <li>• SLA income above budget £48k;</li> <li>• Other minor variances are net £7k adverse.</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £126k, which is expected to be achieved in full.</p>

<p>Finance &amp; Systems</p>	<p>238</p>	<p><b>Projected outturn variance £238k adverse.</b></p> <p><b>Forecast COVID-19 Pressures £121k:</b></p> <p>This relates to additional unplanned costs associated with ICT staff, equipment and systems directly related to the COVID-19 pandemic.</p> <p>There are also additional costs fully offset by additional specific COVID-19 grants totalling £437k in Exchequer Services and £66k in ICT. The Exchequer spend includes £208k Test and Trace and new burdens grants for administration for business rates £229k.</p> <p><b>Other Forecast Variances £117k adverse:</b></p> <ul style="list-style-type: none"> <li>• Staff costs are £83k less than budget across the Directorate based on actual and forecast vacancies for the whole year, which is 1% of the total staffing budget;</li> <li>• Non COVID-19 related running costs are underspent by £9k;</li> <li>• Income is £21k below budget excluding the COVID-19 grant income above, which includes minor reduced income from grants.</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £188k.</p>
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Governance & Community Strategy	323	<p><b>Projected outturn variance £323k adverse.</b></p> <p><b>This includes gross forecast COVID-19 pressures of £434k offset by £240k included in the approved budget – a net COVID-19 pressure of £194k:</b></p> <ul style="list-style-type: none"> <li>• Projected gross income losses due to COVID-19 are £334k and includes £211k relating to Sale Waterside Arts Centre, £23k for events including Flixton House, land charges £11k and Registrar’s £38k. There is also a £51k loss of income expected from library lettings;</li> <li>• Cost pressures total £100k and relate to legal costs for fees and additional agency staff required due to the increase in caseload, which is in line with the approved budget assumption.</li> </ul> <p><b>Other Forecast Variances £129k adverse:</b></p> <ul style="list-style-type: none"> <li>• Forecast staff costs are £141k below budget across the Directorate, based on actual and forecast vacancies across the year (2.5% of the staff budget). This includes £125k in Legal Services and £16k in Arts and Culture;</li> <li>• Running costs forecast to be underspent by £28k, which includes a reduction in court fees in legal services;</li> <li>• There is a projected shortfall in income of £106k compared to budget excluding the COVID-19 pressures above, which includes £34k shortfall in capital fee income which is related to staff vacancies, £42k shortfall in traded services and £30k reduced grant income in Registrars.</li> </ul> <p>The above is offset by the budgeted Directorate-wide efficiency saving target of £192k.</p>
Council-wide budgets	(100)	<p><b>Projected Outturn variance, £100k favourable</b></p> <p><b>Treasury Management</b></p> <p>Income totalling £392k was forecasted to be received during 2021/22 from monies invested in Manchester Airport Group in 2020 by the Council along with the other 9 Greater Manchester LAs for the provision of a new car parking facility. As a result of the current COVID-19 pandemic, returns will not be forthcoming and it is envisaged that once the current restrictions on air travel are relaxed then an income stream from this project will start to be received. To reduce the impact this will have on the treasury management projected outturn for 2021/22, a contribution from the Council's COVID-19 contingency budget will be applied.</p>

## **Council-wide Contingencies**

### **a) Pay Award**

On 14 May 2021 the National Employers, who negotiate pay on behalf of local authorities, offered Council employees a pay increase of 1.50% from 1 April 2021. The cost to Trafford of this is estimated to be £0.98m.

The 2021/22 budget already includes:

- £165k for those public sector workers earning below the median wage of £24,000 who were "guaranteed a pay rise of at least £250" by the Chancellor in his spending review in November 2020, when he also announced a public sector pay freeze;
- a net budget of £114k resulting from the outcome of the final costs to the Council of implementing the Voluntary Redundancy/Voluntary Severance, Voluntary Leave and 9-Day Fortnight schemes.

The balance of the proposed 1.5% pay award of £700k would need to be met from within the general Council-wide contingency budget. This will leave of £300k in the contingency budget for other unknown pressures during the year.

### **b) Sales, Fees and Charges Compensation Grant**

Council-wide holds the budget provision for the Sales, Fees and Charges Compensation Grant to recompense the council for COVID related income losses limited for the first quarter of 2020/21. Income losses during the first quarter are lower than budget subsequently resulting in a lower compensation grant estimated at £252k. This shortfall will be met from the COVID-19 contingency.

### **c) Greater Manchester Temporary Resting place**

£40k potential COVID-19 related costs above budget. This shortfall will be met from the COVID-19 contingency.

### **d) COVID-19 Contingency (temporary)**

The Council-wide contingency budget for 2021/22 includes £1.5m specifically for potential COVID-19 pressures. The current commitments against this allocation are as follows:

- £392k for the Manchester Airport Group investment for the new car parking facility described above;
- £252k for the latest projected loss from Sales, Fees & Charges compared to budgeted grant income;
- £40k for the Trafford's projected share of the Local Temporary Resting Place (GM Mortuary Facility) in 2021/22.

		<p><b>e) Savings Programme</b></p> <p>The savings from the Voluntary Redundancy/Voluntary Severance scheme of £919k over the two year period 2021/23 (£708k in 2021/22 and £211k in 2022/23) is projected to fall short by £50k.</p> <p>Also, the take up from the 9-day Fortnight scheme has been lower than expected and the saving of £60k will not be fully realised, leaving a shortfall of £50k.</p> <p>However, these savings shortfalls will be managed within the pay element of the Council-wide contingency budget, which includes an allowance to cover the reduced savings from the lower than expected take up of the Voluntary Leave Scheme in 2021/22, £100k compared to the budget of £250k.</p>
Dedicated Schools Grant	811	<p>There is an under spend on the schools block within the Growth Fund (a budget to support schools when they are required to provide extra places to meet basic need) of £176k and it is expected that this underspend will be added to the existing £739k Growth Fund Reserve.</p> <p><b>High Needs Block (HNB)</b></p> <p>The High Needs Block is over spending the budget by £402k, however, the budget was £585k more than the grant allocation received, which resulted in an equivalent deficit in the DSG reserve. The additional in year pressure will increase the estimated DSG reserve deficit by £987k.</p> <p>The over spend on the budget is due to the following:</p> <ul style="list-style-type: none"> <li>• £49k relating to Special Schools, due to funding 6 additional places and additional top-up costs;</li> <li>• £24k relating to Sensory Impairment, due to additional running costs and loss of income;</li> <li>• £175k additional expenditure on Education and Health Care Plans, due to an increase in demand and complexity; and</li> <li>• £301k on out of borough placement costs, due to increased demand and complexity of need.</li> </ul> <p>These overspends are offset by the following underspends:</p> <ul style="list-style-type: none"> <li>• £31k lower costs within the Behaviour &amp; Attendance budget;</li> <li>• £92k lower tuition costs than budgeted; and</li> <li>• £24k lower costs of SEN Small Specialist Classes &amp; Central budgets.</li> </ul>

		<p>An overspend was carried forward within the HNB from 2020/21 of £181k, leaving an overall deficit of £1.168m.</p> <p>A report on the HNB is being prepared in order to consult with schools and parents, which will provide options for longer term savings.</p>
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## MTFP SAVINGS AND INCREASED INCOME

9. Given the financial pressures the Council continues to face, as identified in the Medium Term Financial Strategy, it is critical that the current savings programme is achieved in full in order to avoid recurrent shortfalls cascading into future years and increasing the budget gap.
10. The 2021/22 budget is based on the achievement of permanent base budget savings and increased income of £9.102m. A detailed review of the status of each saving has been undertaken and a classification has been made using a “traffic light” system to highlight schemes at risk of not being achieved. Whilst some savings will be achieved through one-off alternative means/mitigating actions in the current year, a status has also been included on the risk of non-delivery falling into 2022/23.
11. Details of the savings programme including the risk review and explanatory narrative can be found in Appendix 2 and a summary is as follows:

<b>Table 3: Savings Programme Risk Assessment Summary - Impact in 2021/22</b>					
<b>Category</b>	<b>Number of Schemes</b>	<b>% of Schemes</b>	<b>Budget (£000's)</b>	<b>Forecast (£000's)</b>	<b>Variance (£000's)</b>
Red	17	27%	(1,626)	(1,020)	606
Amber	22	35%	(4,976)	(3,923)	1,053
Green	24	38%	(2,500)	(2,500)	0
<b>Total</b>	<b>63</b>	<b>100%</b>	<b>(9,102)</b>	<b>(7,443)</b>	<b>1,659</b>

The latest forecast shows that the programme is currently expected to deliver savings of £7.443m, which is £1.659m below target. 39 schemes are classified as either Red or Amber status, of which the largest shortfall of £0.953m is from the Investment Strategy programme (see para. 41).

<p><b>Table 4: Savings Programme Risk Assessment Summary - Ongoing Impact in 2022/23</b></p>
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<b>Category</b>	<b>Number of Schemes</b>	<b>Budget (£000's)</b>
Red	9	(526)
Amber	25	(5,359)
Green	29	(3,217)
<b>Total</b>	<b>63</b>	<b>(9,102)</b>

Although it is too early in the year to estimate the ongoing impact of the potential non-delivery of savings in 2022/23, there are 34 schemes which are classed as having a Red or Amber status. As in the 2021/22 analysis, the Investment Strategy programme maintains its Red status. Other schemes classed at high risk are largely centered around uncertainty in predicting demand in children's and adults services.

In order to maintain robust challenge and focus attention on the delivery of the savings programme, the regular budget monitoring reports will be supplemented by monthly updates to the Corporate Leadership Team.

## **RESERVES**

12. The balance (unaudited) brought forward as at 1 April 2021 of usable reserves was £200.94m, including schools and capital reserves. Details of the reserve balances and movements in year were last reported in the recent Period 12 outturn report for 2020/21 and there is no further update to report at this stage. It should be noted that a significant balance of £89.37m in Corporate Reserves (inc. General Reserve) is temporary in nature and largely relates to the balances of Government COVID-19 funding associated with rates relief and collection fund support which is fully committed in 2021/22 and 2022/23.
13. A full analysis of all reserve movements will be reported on a quarterly basis to the Executive starting with the Period 4 monitoring report.

## **COLLECTION FUND**

### **Council Tax**

14. During 2020/21 the challenges faced by COVID-19 placed considerable pressure on the Council Tax Collection Fund, largely related to a reduction in collection rates and an increase in Council Tax Support. The budget for 2021/2022 was set using assumptions that the impact of the pandemic would continue and an overall reduction of £3.24m was built in to reflecting higher take up of local council tax support, delays in new properties coming on line and lower collection rates.
15. In addition to the above budget assumptions, the discretionary Council Tax Hardship Scheme was extended for a further year, enabling all existing working age Council Tax Support (CTS) recipients registered as at 31st March 2021 to claim a discretionary Hardship award equivalent to the value of their 2021/2022 liability. The cost of this extension was met from an underspend from the Government sponsored hardship grant received in 2020/21.
16. Whilst estimates are difficult to predict at this stage in the year, it was reassuring that the 2020/2021 outturn was better than forecast at the time the 2021/2022 budget was set. Collection rates improved as the year progressed and this pattern has continued with collection rates up to May in line with collection rates in prepandemic years, which is a positive sign. Current estimates of hardship cases are broadly in line with budget. This has led to the conclusion for this monitor that the estimated outturn for Council Tax will remain within budget. Due to the uncertainty in forecasting and the accuracy of projections, only quarterly updates for this budget will be given throughout the year.

### **Business Rates**

17. The 2021/2022 budget included anticipated growth in retained business rates, related S31 grants and redistribution of prior year surpluses of £7.8m. Projecting business rates is by its nature complex and prone to variation, in addition the impact on COVID-19 has added further uncertainty to the accuracy of projections, therefore as with Council Tax, only quarterly updates will be given throughout the year.
18. In order to support businesses with the impacts of COVID-19, the Government provided various rate relief packages during 2020/21. This scheme has been extended into 2021/22 with 100% relief being given to retail, hospitality and Leisure sites until July 2021, from which date the level of relief will be reduced to 66% until March 2022. These reliefs, which are currently estimated at £82m, will result in an equivalent reduction in the rateable income paid into the Collection Fund and therefore a substantial deficit in the current year. However, as in 2020/21 this loss will be fully compensated via a Section 31 Grant paid into the Council's General Fund. In addition, further Government support is being offered to businesses via a discretionary scheme administered by the Council for other businesses falling outside of the 100% relief scheme, however details of the

scheme have yet to be finalised. Whilst the extension of such reliefs is welcomed news, it has added to the complexity of business rate monitoring.

19. The level of reliefs represents approximately 50% of the total rateable income with the remaining 50% largely relating to non retail sites. The ability of both retail and non retail businesses weathering the impact of COVID will be unknown for some time, adding to the uncertainty in forecasting rateable income for the year. However, as a broad estimate, an assumption was made that there would be a reduction in income from non-retail businesses of 5% over the year, this resulted in the budget for 2021/2022 being reduced by £3.49m.
20. The underlying Rateable Value (RV) provides a useful indication of the health of the rates baseline. In the financial 2020/21, there continued to be significant volatility in the rating system as a result of a pattern of properties being converted to residential settings as well as an increase in the number of successful check and challenges which was reflected in a reduced RV when setting the 2021/22 budget. As at May 2021, the RV is approximately in line with budget, which is a positive sign, however once again, the impact on the long term RV as a result of COVID-19 cannot be predicted at this stage.
21. The broad assumption in the Period 2 monitor, is that the estimated outturn for Business Rates will remain within budget.

### **Impact of COVID-19**

22. The impact of the pandemic on the council's finances is anticipated to last for many years and the budget for 2021/2022 includes additional resources of £8.341m to help manage the continuing impact of the pandemic. Pressures were anticipated in client demand, lost income from our strategic investments in the Manchester Airport Group and from Sales, Fees and Charges. These were offset by Government backed support and use of reserves, based on assumptions at the time, that the pandemic would last for the first quarter of 2021/2022.
23. Due to the uncertainty of the impact of COVID-19 the forecasting of pressures was particularly difficult in 2020/2021 and this situation continues to be the case into the foreseeable future, given that the easing of the national lockdown has been delayed beyond the first quarter.
24. Estimated net pressures being felt in 2021/22 are included in the projections in the service areas and are currently anticipated at £4.73m above budget, although at this stage in the year and due to the uncertainty of the situation the forecast should be treated with caution.
25. The Council continues to provide regular monitoring returns to the Government Departments which will be used at a national level to inform the debate on whether additional resources will be required over the medium term.

## **CAPITAL PROGRAMME**

### **Monitoring Arrangements**

26. This is the first monitoring period of the financial year 2021/22, and so this report will be used to restate the capital budget for the period 2021/22 to 2023/24, which was originally approved in February 2021, based on the movements detailed below.
27. Further updates will be provided at P4, P8 and pre-outturn (P10) with the P8 budget being used as a base to set the next three year budget. These reports will also include an update on major schemes as appropriate.
28. The value of the indicative capital programme for 2021/22 to 2023/24 that was approved in February 2021 was £415.40m which includes £244.56m of Asset Investment strategy resources and £170.84m for the general capital programme.

### **General Programme 2021/24**

29. Since the February 2021 approval the general capital programme has reduced by £4.98m to £165.86m. This decrease is due to a number of factors as detailed below;
  - £7.49m - Net increase due to re-profiling from 2020/21 of £7.49m, including £3.21m stated in the Outturn Report to Executive in June 2020 and £4.28m that was identified in reporting earlier in that year. More detail can be found in Appendix 3);
  - £1.68m - New SEND grant allocation 2021/22 advised from the DFE;
  - £400k - Increase in revenue contribution to support DFG support;
  - £1.35m - Increase in Capital Maintenance grant allocation for 2021/22 as advised from DFE and uplift in assumed grant level for following years;
  - £15.9m - Reduction in Mayors Cycling and Walking Challenge Fund. This reduction was a result of a prioritisation excise by GMCA for the first phase of funding following a previous over-programming of the available resources.

The revised programme for the next three years by service area including the above variations to the approved programme is detailed below (Table 5);

<b>Table 5: Capital Programme (Revised Programme 2021/22)</b>	<b>Overall Approved Programme £m</b>	<b>Overall Revised Programme £m</b>	<b>Variance £m</b>
<b>Service Analysis:</b>			
Children's Services	34.62	37.72	3.10
Adult Social Care	11.36	11.65	0.29
Place	122.63	113.78	(8.85)
Governance & Community Strategy	0.06	0.14	0.08
Finance & Systems	2.17	2.57	0.40
<b>General Programme Total</b>	<b>170.84</b>	<b>165.86</b>	<b>(4.98)</b>

30. The above includes for additional expenditure of £40k in respect of statutory fire safety works at George H Carnell Leisure Centre not previously anticipated which will be financed from the approved Leisure Strategy budget, in Place.
31. The next Executive report will provide an update on status and progress of the programme and detail the forecast expenditure for the period 2021/22.

#### **Resources 2021/24**

32. The general capital programme is resourced by a combination of both internal and external funding and is detailed in the shown below (Table 6):

<b>Table 6: Capital Programme Resources 2021/24</b>	<b>Original approved programme £m</b>	<b>Revised Programme £m</b>	<b>Variance £m</b>
<b>External:</b>			
Grants	126.26	114.86	(11.40)
Contributions	5.50	8.73	3.23
<b>Sub-total</b>	<b>131.76</b>	<b>123.59</b>	<b>(8.17)</b>
<b>Internal:</b>			
Receipts requirement (A)	20.08	21.65	1.57
Borrowing	18.03	18.78	0.75
Reserves & revenue contributions	0.97	1.84	0.87
<b>Sub-total</b>	<b>39.08</b>	<b>42.27</b>	<b>3.19</b>
<b>Total Resourcing</b>	<b>170.84</b>	<b>165.86</b>	<b>(4.98)</b>
<b>Capital Receipts:</b>			
Required for 2020/21 funding	(3.72)	(3.38)	0.34
Land Sales Programme	5.17	8.08	2.91
Development Programme	17.72	15.75	(1.97)
<b>Total Resourcing (B)</b>	<b>19.17</b>	<b>20.45</b>	<b>1.28</b>
<b>Deficit (/Surplus In Receipts (B minus A)</b>	<b>(0.91)</b>	<b>(1.20)</b>	<b>(0.29)</b>

33. Since the budget was approved there have been a number of additional pressures on the assumptions made in the Land Sales and Development Programme, these have increased the deficit of capital receipts to support the approved capital programme by £0.29m giving a revised deficit of £1.20m over the three year programme. The revised programme reflects the re-designation of two sites, with a combined value of £2m, from development sites to straight land sales. The P4 update will provide details around the level of receipts available to support the 2021/22 forecast expenditure.
34. Any deficit in the programme will need to be managed, and may result in additional borrowing and associated revenue costs not currently assumed within the budget. If these arise these will need to be financed from within the Treasury Management budget. The Council will look to mitigate any cost pressures throughout the year through;
- Revision of the capital programme with schemes being removed, reduced or rephrased;
  - Review developments to maximise returns whilst still meeting the Council's wider strategic objectives. This review would also look at the appropriateness of proposed levels of affordable housing, levels of sustainability and any provision of community facilities;
  - Identification of additional sites to contribute additional receipts to support the programme.

Any significant changes will be reported to the Executive in the monitoring reports for decisions as appropriate.

## **Asset Investment Fund**

35. In February 2021, CIPFA issued a consultation on some significant changes to the Prudential Code, which is a legal framework covering investments and borrowing activity. The revisions were aimed at managing the level of risk in relation to commercial investments, following concerns raised with regard to some high profile investments made by a number of local authorities. The most significant of the changes stated that authorities must not borrow to fund solely yield generating investments. The first stage of the consultation process is now complete and the revised code is expected to be released in December 2021. The Council's Investment Strategy remains fully compliant with the revisions to the code.
36. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board to date have a total committed cost of £379.73m. The facility agreements at The Crescent (£44.26m) and phase one of the Hut Group (£30.20m) were repaid in 2020/21, and phase two of the Hut Group (£32.25m) was repaid in June 2021. This means the balance of the approved £500m which is available for further investment is £164.53m (Table 7 below).
37. These investments were budgeted to generate a net revenue benefit in 2021/22 of £7.61m. The forecast net income, however, is £4.4m lower, at £3.1m. The Council has reviewed this position and put in place mitigations, which have increase the net income position to £6.66m, a deficit of £0.95m compared to budget. Key variances and mitigations are set out below:
- The 2021/22 budget assumed additional net income of £3m from schemes that were yet to be committed to. This figure represented the recycling of funds from schemes that had expired, such as the Crescent. Of this £3m, £0.54m has been secured through new investments at the Hut Group and the Castle Irwell, leaving a remaining target of £2.45m. As part of the income shortfall mitigation, the Council has reviewed schemes currently in its pipeline, but not yet brought forward, for likelihood and benefit. From that review a prudent income forecast of £1.2m has been included against those schemes in 2021/22;
  - The Hut Group have informed the Council of their intention to delay the start of work on their new office accommodation. This will postpone the drawdown of the agreed facility until 2022/23, which will cause a pressure in 2021/22 of £0.63m. To mitigate against this shortfall, the Council will draw down from the Risk Reserve to smooth the variance, with the reserve topped back up from the anticipated delayed income benefit in future years;
  - Lower returns to the value of £0.85m are anticipated on a number of debt facilities which are linked to variable interest rates;
  - A shortfall is forecast in returns from the Council's three joint ventures with Bruntwood of £0.69m, required to cover the Council's borrowing costs on the acquisition of the town centre assets in Stretford and Altrincham. This shortfall

is a result of reduced trading income as the sites recover from the impact of COVID-19 on the retail sector;

- The pressures above have been partly offset by forecasted additional income of £0.19m due to a faster draw on the Castle Irwell debt facility;
- The forecast contribution to the Risk Reserve in 2021/22 is £1.65m. The reserve level at the start of the year was £5.98m. This level of reserve is currently considered to be sufficient in relation to the immediate risks that the portfolio is exposed to. The Council will, therefore, not make any further contributions in 2021/22, and the £1.65m will instead be used as part of the mitigation of the forecasted income pressures.

<b>Table 7: Asset Investment Fund</b>	<b>Prior Years £m</b>	<b>Repayments £m</b>	<b>Commitment £m</b>	<b>Total £m</b>
<b>Total Investment Fund</b>				<b>500.00</b>
<b>Property Purchase:</b>				
Sonova House, Warrington	12.17	-	-	12.17
DSG, Preston	17.39	-	-	17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84	-	-	10.84
The Fort, Wigan	13.93	-	-	13.93
Sainsbury's, Altrincham	25.59	-	-	25.59
<b>Sub Total</b>	<b>79.92</b>	<b>-</b>	<b>-</b>	<b>79.92</b>
<b>Property Development:</b>				
Sale Magistrates Court	4.80	-	-	4.80
Brown Street, Hale	6.79	-	0.64	7.98
K Site, Stretford Equity	11.00	-	1.25	12.25
Former sorting office, Lacy Street, Stretford	0.87	-	0.09	0.96
Care Home Purchase	2.23	-	-	2.23
Various Development Sites	0.43	-	-	0.43
<b>Sub Total</b>	<b>26.12</b>	<b>-</b>	<b>1.98</b>	<b>28.10</b>
<b>Equity:</b>				
Stretford Mall, Equity	8.82	-	-	8.82
Stamford Quarter, Equity	16.69	-	-	16.69
<b>Sub Total</b>	<b>25.51</b>	<b>-</b>	<b>-</b>	<b>25.51</b>
<b>Development Debt:</b>				
Bruntwood; K site	10.90		1.35	12.25
Bruntwood Shopping Centre	25.57	-	-	25.57
CIS Building, Manchester	60.00	-	-	60.00
The Hut Group	62.45	(62.45)	67.50	67.50
Castle Irwell, Salford	11.28	-	7.72	19.00
<b>Sub Total</b>	<b>170.20</b>	<b>(62.45)</b>	<b>76.57</b>	<b>184.32</b>
<b>Total Capital Investment</b>	<b>301.75</b>	<b>(62.45)</b>	<b>78.55</b>	<b>317.85</b>
Albert Estate Investment	17.62		-	17.62
<b>Total Investment</b>	<b>319.37</b>	<b>(62.45)</b>	<b>78.55</b>	<b>335.47</b>
<b>Balance available</b>				<b>164.53</b>

### Update on Investment Strategy

38. Property Developments are currently at a number of differing stages within the life of the schemes, Currently there is one scheme nearing completion (Brown Street) one with approved planning (Sale Magistrates) and a number under

development (Tamworth and Jubilee Centre). The following provides a brief update on these schemes;

### **Brown Street**

A revised completion date has now been given as early September 2021, with a number of factors including the impact of COVID-19 on staffing levels on site and more recently the availability of some building materials, which has been widely reported within the media.

This time delay along with other cost increases has given rise to additional cost pressures that we have been advised of by the developers Novo all of which are still under review. The current potential increase in costs from previously assumed level is approximately £1.0m, which if realised would have an impact on the funding of the general capital programme which will need to be managed.

### **Sale Magistrates**

A formal planning application was submitted and approved on 11 March 2021. The scheme is to deliver 84 properties with a minimum of 25% affordable housing. Work is still being undertaken to create the right mix for development with the scheme awaiting formal approval to progress to full design stage. Achieving a balanced mix of affordable housing above the minimum will potentially have an impact on the anticipated return for the scheme but work is continuing to still achieve the target development return of £3.0m plus land value, which is an IRR of 13%;

### **Tamworth**

This scheme is being developed in an equal partnership with Trafford Housing Trust once each party have contributed their own land holdings on the site. The scheme is expected to deliver in the region of 157 properties with the mix of affordable housing not yet finalised, but is expected to exceed the planning policy mix. It is also anticipated that the scheme will deliver a high level of sustainability and exceed minimum requirements of affordable housing.

### **Jubilee Centre**

The architect has been appointed for this scheme, with the rest of the design team being appointed shortly, after which it is anticipated that consultation will start, including with planning. Once this has been completed, the financial forecasts will be further reviewed against the currently assumed return of £1.5m, an IRR of 15%. Any changes will be reported to the Executive in the Capital Monitoring reports accordingly.

## **Issues / Risks**

39. A key risk is the ability to deliver the revised capital programme in 2021/22, and this will continue to be closely monitored and reported throughout the year and as any significant issues may arise.
40. In addition, there is the risk that the level of Capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the

capital programme. A prudent approach to estimating these asset receipts and development returns will continue to be taken with only receipts that have a significant level of certainty being included in the resource forecasts.

**Recommendations**

41. It is recommended that that the Executive:

- request Council to approve an increase to the net Revenue Budget of £168k to £179.472m as detailed in paragraph 2 above;
- note the updated positions on the revenue budget, collection fund and capital programme.

**Other Options**

No Applicable.

**Consultation**

Not Applicable

**Reasons for Recommendation**

The Council is requested to approve an increase to the net Revenue Budget of £168k to £179.472m, as a result of a minor late change in the financial settlement relating to resources to support the Public Health budget. The Council is required to formally approve any change to the net Revenue Budget.

**Finance Officer Clearance** .....GB.....

**Legal Officer Clearance** .....JLF.....



**DIRECTOR'S SIGNATURE** ..... .....

Appendix 1

Service Review/Virements	Children's (£000's)	Adults (£000's)	Place (£000's)	Strategy & Resources (£000's)	Finance & Systems (£000's)	Governance & Community Strategy (£000's)	Council -wide (£000's)	Total (£000's)
<b>Budget Report Feb 21</b>	<b>43,002</b>	<b>65,222</b>	<b>30,311 *</b>	<b>5,442</b>	<b>7,741</b>	<b>6,669</b>	<b>20,917*</b>	<b>179,304</b>
<b>Virements:</b>								
Public Health Grant							168	168
New Head of Leisure post			85				(85)	0
Street Lighting saving removed and funded as a temporary virement from Leaders Special Projects budget in 2021/22			70	(70)				0
Strategic Services Review		43	124	211		(378)		0
Principal Community Cohesion & Equalities officer post		(55)		55				0
Re-alignment of Contractor fees budget			9	(9)				0
<b>Total movements</b>	<b>0</b>	<b>(12)</b>	<b>288</b>	<b>187</b>	<b>0</b>	<b>(378)</b>	<b>83</b>	<b>168</b>
<b>Period 2 Outturn Report</b>	<b>43,002</b>	<b>65,210</b>	<b>30,599</b>	<b>5,629</b>	<b>7,741</b>	<b>6,291</b>	<b>21,000</b>	<b>179,472</b>

\* Includes £80k agreed at Budget Council in February 2021 for the removal of the City of Trees Programme saving, which is to be met from Council-wide Contingency

## Appendix 2

Theme/Title	Service Area	Status(New /Existing)	Budget 2021/22 £000's	Projection 2021/22 £000's	Variance 2021/22 £000's	Description of Saving	Financial RAG 21/22	Financial RAG 22/23	Financial RAG comments
<b>Income Proposals from previous years</b>									
Traded Services	Central	Existing	(281)	(281)	0	Traded Services income inflation increase	AMBER	AMBER	Subject to covid pressure - included in MTFP.
New Investment Income	Place	Existing	2,824	2,824	0	Effect of previous year's Investment Strategy income dropping out	GREEN	GREEN	
<b>TOTAL</b>			<b>2,543</b>	<b>2,543</b>	<b>0</b>				
<b>Savings Proposals</b>									
<b>Savings carried forward from 2020/21:-</b>									
Person Centred - Reshaping	Adults	Existing	(301)	(301)	0	Continuation and roll out of the let's talk and right care for you approach to promote independence and support better outcomes	AMBER	AMBER	This continues to be rolled out but is dependent upon the level and types of activity during the year.
Liberty Protection Safeguards (LPS)/Portal - Reshaping	Adults	Existing	(201)	0	201	The implementation of the LPS scheme and a whole system portal which will drive through	RED	AMBER	This saving is dependent upon changes in legislation which have been delayed until April 22.

						efficiencies and costs savings.			
Homecare Pilot	Adults	Existing	(256)	(256)	0	A number of pilots which will trial new ways of working, supporting positive outcomes for service users with financial benefits for the Council	AMBER	AMBER	This continues to be rolled out and has achieved £204k to date but is dependent upon further activity during the year.
Market Management	Adults	Existing	(68)	(68)	0	Pursuing alternative purchasing arrangements with providers.	AMBER	AMBER	These are currently being pursued.
Supported Living	Adults	Existing	(123)	(123)	0	To maximise the current service capacity.	AMBER	AMBER	This is subject to an on going review.
<b>New Savings in 2021/22:-</b>									
Person Centred reshaping - Mental health and learning disability	Adults	New	(500)	(500)	0	Reshaping of models and care pathways to create a single point of access for care letting, incorporating the lets talk and right care for you approach to promote independence and support better outcomes.	AMBER	AMBER	This is being reshaped but is dependent upon the level and types of activity during the year.

Learning Disabilities - supported accommodation	Adults	New	(173)	(173)	0	Retender the learning disability supported living accommodation commissioned within Trafford, on a patch basis.	AMBER	AMBER	This is subject to the agreements reached in the contracts which will be known later in the financial year.
Learning Disabilities - Develop an assessment facility (Shawe Road)	Adults	New	(30)	(30)	0	The reconfiguration of Shawe Road into an emergency accommodation and assessment unit.	AMBER	AMBER	The reconfiguration for Shawe Road is still underway.
Care Market - DtA	Adults	New	(172)	(172)	0	Retender of the discharge to assess (DtA) beds	AMBER	AMBER	Although beds have not been secured at the rate anticipated the costs of these for the first 6 months will be reimbursed through the hospital discharge programme.
Care Market – extra care housing	Adults	New	(10)	(10)	0	To develop the extra care housing options, utilising technology, to support people living with dementia for longer in these settings.	AMBER	AMBER	This is currently being developed.
Care – 1:1 hourly rate	Adults	New	(10)	(10)	0	Alignment of the hourly rate for 1:1 hours provided	AMBER	AMBER	This is currently being aligned.
Home Care – SaMS	Adults	New	(187)	(187)	0	Retender and reconfiguration of the stabilise and	GREEN	GREEN	Achieved.

						make safe (SaMS) service			
Home Care – rapid discharge	Adults	New	(36)	(36)	0	Reconfiguration of the rapid discharge service	AMBER	AMBER	This is currently being reconfigured.
Digital front door	Adults	New	(30)	(30)	0	Drive through efficiencies and savings as the digital portal is launched at the front door.	AMBER	AMBER	This is currently underway.
Care at home	Adults	New	(150)	(47)	103	Remodelling of the care at home services	RED	AMBER	The remodelling of this service will take place later this year and therefore this year is based on keeping vacancies open. At the present time this is difficult to do with the pressures being faced in the service.
Community Enhanced Care (CEC)	Adults	New	(150)	(150)	0	Remodelling of the CEC service via the new rapid support services and SAMS.	GREEN	GREEN	Achieved.
General Procurement Savings Target	Adults	New	(24)	(24)	0	Generation of savings on contracts.	GREEN	GREEN	Achieved.
Modernisation of Children’s Service	Children	New	(524)	(524)	0	Redesign of Children’s Social Care to ensure that the service is organised in the most efficient way that supports effective practice.	GREEN	AMBER	Although the redesign of the service will not take place until later in the year, there are underspends on this budget due to the delays. The permanency of these savings will be reviewed



Property Estates review	Place	New	(220)	(70)	150	Improve efficiency of operational estate, including for example a review of occupation and use of Sale Waterside, Altrincham Town Hall and Flixton House (while still retaining Council ownership). Review opportunities for improved income generation from property assets	RED	AMBER	Numerous proposals being reviewed and will be a part year saving only in 2021/22.
Business rates review	Place	New	(50)	(50)	0	Review rateable value of Council estate	RED	AMBER	External advisors appointed. Returns are potentially higher but timing is a key risk.
Parking charges realignment	Place	New	(64)	(64)	0	Increase charges in villages to align with town centres.	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
Amended parking tariffs - town centres	Place	New	(136)	(136)	0	A range of charging options assessed for amending the current parking charges in town centres.	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
Other Parking Income - Additional Enforcement	Place	New	(10)	(10)	0	Additional enforcement will generate a higher net income from fines	GREEN	GREEN	

Charges to capital – operational services client team	Place	New	(150)	(150)	0	Allocation of relevant staff costs which are supporting capital schemes (creates a revenue saving but increases pressure on capital budgets).	GREEN	GREEN	
New investment income	Place	New	(3,000)	(2,047)	953	This will be in line with our investment strategy, with the aim of replacing income that will be lost when some current investments are repaid.	AMBER	RED	See narrative in Capital Monitor.
Major events recovery of support services costs	Place	New	(207)	(207)	0	Holders of major events to pay for all associated support services, for example street cleansing, traffic management.	RED	AMBER	Timing is a key risk to the saving but which will be mitigated within existing budgets for 2021/22.
Amey call centre telephony operating hours reduced in line with Council contact centre	Place	New	(24)	(24)	0	Saving includes 9-5 access only	GREEN	GREEN	

Energy savings from decarbonisation programme across property estate	Place	New	(75)	(75)	0	Decarbonisation of buildings programme underway including use of external funding.	GREEN	AMBER	Timing is a key risk to the saving but which will be mitigated within existing budgets for 2021/22.
Move to wildflower / good verge guide throughout the Borough.	Place	New	(95)	(95)	0	Positive bio-diversity impact. Some cutting will still take place to maintain sightlines (e.g. for highways).	RED	RED	Still under review regarding implementation. Timing is a key risk to the saving but which will be mitigated within existing budgets for 2021/22.
Grass cutting review	Place	New	(67)	(67)	0	Grass cutting: Move the cut frequency to 21 days	RED	RED	As above
20% of greenspaces moved to conservation areas	Place	New	(36)	(36)	0	Reduced maintenance in specified areas	RED	RED	As above
Cease Night Scouting of Streetlights	Place	New	(9)	(9)	0	Cease provision of all Night Scouting Services - defects reported by residents through the normal means on the main arterial routes.	GREEN	GREEN	

Pay inflation	Place	New	(50)	(50)	0	Pay freeze for staff on LG terms and conditions in line with national pay award	RED	RED	NJC pay award still to be agreed but will put saving at risk if above budget assumptions.
Reduce weed spray from 2 to 1 per annum	Place	New	(20)	(20)	0	Saving in operational delivery of spraying of weeds	GREEN	GREEN	
Change missed bin response timeframes	Place	New	(50)	(50)	0	Review timeframes for returning to justified missed bins from 24hrs to next working day / 48hrs	GREEN	GREEN	
Renegotiate contract performance targets in high cost areas and change in specification of the Amey contract as part of the 7year review	Place	New	(102)	0	102	Saving in operational costs e.g. out of hours call out, street lighting response times etc.	RED	RED	7 year process is ongoing and proposals are yet to be formally agreed.
Miscellaneous Licence fees	Place	New	(10)	(10)	0	Improved cost recovery relating to licence fees.	GREEN	GREEN	
Place Directorate/Strategic Services and Vacancy Review	Place	New	(250)	(250)	0	Various measures around staffing structures	AMBER	GREEN	Timing of restructure is a risk but vacancies will also offset any shortfall in 2021/22.
Planning and Development	Place	New	(222)	(222)	0	Use of increased planning fee income to cover salary costs in the strategic planning service.	AMBER	AMBER	Subject to ongoing covid pressures and effects on demand.

Remove Free After 3 Car Parking	Place	New	(50)	(50)	0	Remove free Christmas parking after 3pm – additional income	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
General Procurement Savings Target	Place	New	(45)	(45)	0	Generation of savings on contracts.	AMBER	AMBER	Contracts under review, including utilities.
Review Financial Management Service	Finance and Systems	New	(358)	(358)	0	Would require a service review in the autumn and mainly involve the review of vacant posts and senior management. It would be necessary to ensure the S151 officer is still able to fulfil the statutory financial role of the Council.	GREEN	GREEN	
Exchequer Services - robotics and system modernisation	Finance and Systems	New	(300)	(300)	0	Vacant posts would be deleted but introduction of robotics would enable costs to be taken out without reduction in service delivery standards and no impact on the public.	GREEN	GREEN	
Review ICT Service - contract and licencing reductions	Finance and Systems	New	(197)	(197)	0	Review of current ICT contracts and licences	GREEN	GREEN	

General Procurement Savings Target	Finance and Systems	New	(3)	(3)	0	Generation of savings on contracts.	GREEN	GREEN	
Business support – shared services	Strategy and Resources	New	(150)	(118)	32	Review administrative support with a view to exploring shared services, maximising efficiency and potential withdrawal of vacancies.	RED	AMBER	Review is ongoing –timing is a key risk to the saving being fully achieved in 2021/22.
Reduce Training Budget by 33%	Strategy and Resources	New	(75)	(75)	0	To undertake mandatory and essential training only for a period of 2 years.	GREEN	GREEN	
Review of Directorate vacancies	Strategy and Resources	New	(35)	(35)	0	Managing vacancies within the Directorate to maximise savings.	GREEN	GREEN	
General Procurement Savings Target	Strategy and Resources	New	(2)	(2)	0	Generation of savings on contracts.	GREEN	GREEN	

Contact Centre - review opening hours	Governance and Community Strategy	New	(115)	(115)	0	The current openings hours for the Contact Centre are 08:30 – 17:30 Monday – Friday. The proposal is to reduce opening hours by 1 hour a day to 09:00 – 17:00 Monday to Friday and realise a staff saving. Reducing opening hours would bring Trafford more in line with other GM authority opening hours.	GREEN	GREEN	
General Procurement Savings Target	Governance and Community Strategy	New	(22)	(22)	0	Generation of savings on contracts.	GREEN	GREEN	
Voluntary Redundancy/Severance Scheme	Council-wide	New	(708)	(658)	50	Introduction of a VR/VS scheme which allows colleagues to apply to leave the Council's employment through voluntary means. Scheme rules would apply, with the main considerations being the impact on ability to	AMBER	GREEN	Shortfall in total saving across 21/22 and 22/23 of £50k to be met from within the pay costs elements of the Councilwide Contingency budget

						deliver services, as well as cost implications (e.g. redundancy and pension strain).			
General Procurement Savings Target	Council-wide	New	(86)	(86)	0	Generation of savings on contracts.	GREEN	GREEN	
9 day fortnight - voluntary	Council-wide	New	(60)	(10)	50	A scheme that allows colleagues to apply for a permanent 9 day fortnight. Would use the flexible working policy guidance as a framework to make it a permanent contractual change.	AMBER	GREEN	Shortfall of £50k to be met from within the pay costs elements of the Councilwide Contingency budget
<b>TOTAL VALUE OF SAVINGS PROPOSALS</b>			<b>(11,645)</b>	<b>(9,986)</b>	<b>1,659</b>				
<b>TOTAL SAVINGS AND INCOME PROPOSALS</b>			<b>(9,102)</b>	<b>(7,443)</b>	<b>1,659</b>				

### Appendix 3

	<b>Re-profiling of Capital Programme from 2020/21</b>	<b>£000's</b>
<b>Children's Services</b>		
Schools		
	Basic Need	(855)
	Capital Maintenance Grant	997
	Devolved Formula Capital	(55)
	Schools Access Initiative Programme	40
	Schools - SEND Capital Grant	(279)
<b>Children's Services</b>		
	Foster Carers - Accommodation improvements	142
	Capital Innovation Fund : Sanyu Centre	2
	Youth Services : Street Talk Mobile Unit	37
	Liquid Logic - Children's & Delegation Portals	42
<b>Adult Social Care</b>		
	LDD Assessment Unit - Shawe View, Flixton	3
	Replacement SAP/CRM Softbox	8
	Disabled Facility Grants	(136)
	Liberty Protection Safeguards (Liquidlogic updates)	23
<b>Place</b>		
<b>REGENERATION &amp; STRATEGIC PLANNING</b>		
	9/11 Market Street, Altrincham – Redevelopment	239
	Business Loan Scheme	100
	Town Centres Loans Fund	88
	Future High Street Fund	200
	Altrincham Town Centre : Public Realm Works	52
	Stretford Town Centre : Public Realm Works	94
	Greater Manchester Full-Fibre Initiative	339
	Manchester Airport - Project Mere	11
	Trafford Waters, Trafford Park - Infrastructure	140
<b>Corporate Landlord</b>		
	Public Sector De-Carbonisation Programme	(136)
	Trafford Town Hall - Heating and cooling system	
	Public Building Repairs	214
	DDA Compliance Programme	118
<b>Leisure and Sport</b>		
	Leisure Strategy	26
	Turn Moss Playing Fields - Development	169
<b>Highways</b>		
	<b>Traffic &amp; Transport Total</b>	

	Integrated Transport Schemes	303
	Emergency Active Travel - Tranche Two	605
	Mayors Challenge Fund	812
	Cycling schemes	166
	Residents Parking Schemes	150
	<b>Structural Maintenance Total</b>	
	Highways Structural Maintenance	846
	<b>Street Lighting Total</b>	
	Street Lighting	7
	GM Clean Air Plan - Column Replacements for ANPR	131
	<b>Bridge Assessments &amp; Strengthening Total</b>	
	Bridge Assessments & Strengthening	379
	<b>Other Highways Projects Total</b>	
	Carrington Junction Improvement Scheme/Relief Road	996
	Bereavement Services	30
	Environmental Services and Green Space	
	Play Area Refurbishments	64
	Parks Infrastructure	169
	Parking Services	60
	Housing Services	
	Assistance to Owner Occupiers	23
	Housing Standards / Empty Property Initiatives	28
	Affordable Housing Fund : S.106 Funded Programme	423
	Community Safety	
	CCTV Transformation Programme - Phase 2	141
	CCTV Cameras - Fly-tipping Prevention	60
	<b>Governance &amp; Community Strategy</b>	
	Waterside Arts Centre - building refurb	74
	New Timperley Library - ICT requirements	5
	<b>Finance &amp; Systems</b>	
	Various ICT related projects	403
	<b>Total Reprofiling of Schemes from 2020/21</b>	<b>7,498</b>